



**LAKE COUNTY LAW LIBRARY ASSOCIATION
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LAKE COUNTY LAW LIBRARY ASSOCIATION
LAKE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – The General Fund – For the Year Ended December 31, 2001	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – The General Fund – For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	7

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Lake County Law Library Association
Lake County
47 North Park Place
Painesville, Ohio 44077

To the Board of Trustees:

We have audited the accompanying financial statements of the Lake County Law Library Association, Lake County, Ohio, (the Library) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Lake County Law Library Association, Lake County, Ohio, as of December 31, 2001 and December 31, 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2002 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 18, 2002

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**LAKE COUNTY LAW LIBRARY ASSOCIATION
LAKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
FUND CASH BALANCES - THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General Fund</u>
Cash Receipts:	
County of Lake	\$339,064
Juvenile Court	2,190
Clerk of Courts	1,300
City of Painesville	42,413
Painesville Municipal Court	2,817
City of Mentor	473
Mentor Municipal Court	3,775
Willoughby Municipal Court	8,709
Interest	40,764
Miscellaneous Receipts	<u>93</u>
Total Cash Receipts	<u>441,598</u>
Cash Disbursements:	
Books and CD Rom	259,416
Salaries and Withholding	4,423
Supplies	2,772
Insurance	3,334
Service Contracts	10,537
Cataloging Program	10,375
Westlaw	6,924
Equipment	32,089
Lake Legal Views	6,000
Classified Ads	465
Lexis Nexis	3,307
Other	<u>4,145</u>
Total Cash Disbursements	<u>343,787</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>97,811</u>
Other Financing (Disbursements):	
Refunds	<u>(2,760)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	95,051
Fund Cash Balances, January 1, 2001	<u>777,960</u>
Fund Cash Balances, December 31, 2001	<u>\$873,011</u>
Reserves for Encumbrances, December 31, 2001	<u>\$173,691</u>

The notes to the financial statements are an integral part of this statement.

**LAKE COUNTY LAW LIBRARY ASSOCIATION
LAKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
FUND CASH BALANCES - THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General Fund
Cash Receipts:	
County of Lake	\$372,951
Juvenile Court	1,362
Clerk of Courts	883
City of Painesville	50,199
Painesville Municipal Court	3,676
Mentor Municipal Court	5,105
City of Mentor	279
Willoughby Municipal Court	6,266
Interest	36,465
Miscellaneous Receipts	500
Total Cash Receipts	477,686
 Cash Disbursements:	
Books and CD Rom	346,094
Salaries and Withholding	9,071
Supplies	2,171
Insurance	3,067
Service Contracts	8,358
Telephone	569
Westlaw	8,335
Equipment	2,706
Lake Legal Views	5,000
Audit Costs	2,097
Other	2,841
Total Cash Disbursements	390,309
Total Cash Receipts Over/(Under) Cash Disbursements	87,377
 Other Financing (Disbursements):	
Refunds	(62,739)
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	24,638
Fund Cash Balances, January 1, 2000	753,322
Fund Cash Balances, December 31, 2000	\$777,960
Reserves for Encumbrances, December 31, 2000	\$173,691

The notes to the financial statements are an integral part of this statement.

**LAKE COUNTY LAW LIBRARY ASSOCIATION
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Lake County Law Library Association, Lake County, Ohio, (the Library) is a body established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by a privately-elected five-member Board of Trustees. The Library is formed for the purpose of providing a legal research and resource base to its members.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost. STAR Ohio is recorded at share values reported by the mutual fund.

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library uses one fund:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources, except those required by law or contract to be restricted. The Library has no financial resources required by law or contract to be restricted.

E. Budgetary Process

The Library is not subject to Ohio budgetary law as it is not a taxing unit.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**LAKE COUNTY LAW LIBRARY ASSOCIATION
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investments pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$ 65,014	\$ 29,041
Certificates of deposit	<u>515,736</u>	<u>487,343</u>
Total deposits	<u>580,750</u>	<u>516,384</u>
 STAR Ohio	 <u>292,261</u>	 <u>261,576</u>
 Total deposits and investments	 <u>\$873,011</u>	 <u>\$777,960</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. RETIREMENT SYSTEMS

Employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001

4. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- General Liability
- Public Officials Liability
- Automotive
- Inland Marine
- Property



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Facsimile 216-787-3361
www.auditor.state.oh.us

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Lake County Law Library Association
Lake County
47 North Park Place
Painesville, Ohio 44077

To the Board of Trustees:

We have audited the financial statements of the Lake County Law Library Association, Lake County, Ohio, (the Library) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 18, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter date April 18, 2002.

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 18, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

LAKE COUNTY LAW LIBRARY ASSOCIATION

LAKE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 9, 2002**